

## **I. GENERAL PROVISIONS**

The board of directors, as the governing body of the Mariposa County Resource Conservation District, formulates financial policies. The board may choose to delegate some of the responsibility for administration of financial policies to the board's treasurer.

The treasury of Mariposa County is the depository of all of the funds of the district.

Financial duties and responsibilities must be separated so that no one employee or board member has sole control of cash receipts or disbursements.

The District's fiscal year is July 1 through June 30. Financial policies and procedures are reviewed annually during the fourth quarter. Any changes to the financial policies must be approved by the board of directors. Financial matters handled by district employees and directors must conform to the highest ethical standards and the district's Conflict-of-Interest Policies. No financial transaction or hiring decision may result in personal financial gain for an employee or director, spouse, relative, or personal friend of a director or employee. Failure to comply with these standards will constitute grounds for removal from employment.

## **II. CHART OF ACCOUNTS**

The district's Chart of Accounts conforms to generally accepted accounting principles. An account number is assigned to each account category to provide a specific identification of every financial transaction.

## **III. CASH RECEIPTS AND DEPOSITS**

Distribution of Monies. The board treasurer directs the office manager to pay out money only when warrants approved by the county auditor, drawn upon order of the board of directors, and signed by one director of the board are submitted.

Money on hand, Receipts, and Disbursements. The treasurer reports in writing at each regular meeting of the directors the amount of money on hand and the receipts and bills due since the last report.

Record Keeping. The office manager verifies the treasurer's report against the county auditor's monthly report for accuracy and maintains MCRCD financial files.

## **IV. PETTY CASH**

A petty cash fund (not to exceed \$200) is maintained in the district office by the office manager.

Petty cash is authorized for district purchases only. No other use of the fund is authorized without approval of the board.

The fund is to be kept in a locked file, desk, or other facility at all times.

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A log of all expenditures from the fund is maintained by the office manager. The log, together with the receipts for each individual purchase, is maintained.

A warrant is prepared when the fund requires replenishment.

## **V. DISTRICT TRAVEL AND REIMBURSEMENT POLICY**

All travel must be authorized in advance by the board. The types of events for which expenses will be reimbursed include official duties related to Regular and Special meetings of the Board, standing committee meetings, and ad hoc meetings associated with District grants, contracts and RCD meetings associated with the adopted District Strategic Plan and Annual Plan. This will include meetings with federal, state or local units of government and non-profit organizations such as CARCD which further the public benefit of implementing the District Strategic Plan. Also included are Official Regular CARCD annual, regional and committee meetings, CARCD Board of Director meetings as well as NACD annual, regional and committee meetings as authorized by the RCD Board unless expenses are covered by CARCD or NACD. Any expenses that do not fall within the RCD's Publication 463 (or a successor publication) must be approved by the RCD board in a public meeting before the expense is incurred, in order to be eligible for reimbursement.

The employee or director must complete and sign the Expense Report (Expense Voucher form) for reimbursement. In order to be eligible for reimbursement, directors must file their expense reports within 30 days of the time that the expense was incurred. The expense Reports must be sufficiently explicit to document that expenses claimed are consistent with this policy.

Lodging expenses must be actual and necessary and accompany Expense Report. Employees and RCD directors must obtain government and group rates offered by providers of transportation and lodging when available. When attending conferences and organized educational activities, reimbursement for lodging costs for RCD directors is limited to the maximum group rate published by the conference or activity sponsor if that rate is available at the time of booking. If the group rate is not available at the time of booking, the RCD director can only be reimbursed for the costs of comparable lodging consistent with RCD's reimbursement policy or the applicable government rates and the requirement for utilizing available government and group rates. If a director chooses to stay in lodgings with rates exceeding the maximum reimbursable under this policy, the director may claim reimbursement, but only for the portion of the expense that does not exceed the amount for which reimbursement is permitted.

Receipts should be attached to the Expense Report. The receipts and the Expense Reports are public records. When allowable per diem rate applies, receipts are not required; however, proof of travel or verification should then be attached. The current per diem rate is per applicable government traveling policy. The rate of reimbursement for automobile travel is per applicable government travel policy. Destination and number of miles driven must be on Expense Report.

RCD Directors must provide brief reports on “meetings attended at the expense of the local agency” at the next regular meeting of the RCD board of directors.

Directors of RCDs that reimburse director and employee expenses are required to take training on laws pertaining to ethics of government officials. RCD directors are required to attend ethics training for at least two hours every two years. Directors in office on January 1, 2006 are required to obtain initial ethics training by January 1, 2007. RCD Directors, whose initial terms of office begin after January 1, 2006, must obtain their first ethics training within one year after assuming office. The MCRCD must maintain public records of each director’s completion of ethics training for at least five years, including the date of training and the entity that provided the training. Providers of the ethics training are required to provide proof of participation. The ethics training courses may be self-study with tests taken at home, in person, or online. The MCRCD must annually provide directors with information concerning available ethics training.

## **VI. DISTRICT PROPERTY**

The office manager maintains an up-to-date inventory of all district property. The office manager notifies the board of all cases of loss, damage, or destruction of equipment or other property. If needed, replacement schedules for district tools and equipment will be specified on the inventory.

The District will establish and maintain a capitalization schedule for all individual assets with an acquisition cost of \$1,500.00 or more. The schedule will include the estimated useful life of each capital asset.

## **VII. DISTRICT CREDIT CARDS**

The office manager may issue a credit card to a director, associate director or staff member, if requested. The credit card is authorized for district business only.

## **VIII. GRANTS AND CONTRACTS**

### **A. Approval Process**

RCD board members, RCD staff and/or outside agencies will bring to the attention of the RCD board possible funding opportunities as they become aware of them.

The grant opportunity will be discussed in a RCD board meeting and a decision will be reached as to whether the grant meets the purpose and mission of the RCD and whether to authorize the appropriate staff member(s) or other approved grant writer(s) to write the grant application.

The completed grant application/proposal is then submitted to the RCD board for review, revision, if needed, and approval before submission to the granting body.

In the event of an imminent time-sensitive grant application deadline a board or staff proponent may request a special meeting of the finance committee to consider the merits of the proposed project and develop its recommendations for board action. The board chair will call a special board meeting, if necessary, to assure timely preparation of the application.

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Upon successful awarding of grant, the RCD will again review any revisions or amendments required by the grantor before final approval and acceptance.

All contracts and amendments are signed by the board president or another board officer as delegated by the president.

All contracts and amendments will include administrative costs for MCRC

B. Delegations of Authority

The Board of Directors has the vested power to delegate reasonable and limited approval and signing authorities to its office manager or other employees to bind the District with regard to their specific areas of responsibility. Delegations of authority must be in writing and executed by the Board of Directors via resolution or other approved form.

C. Office Manager

The office manager keeps copies of all grants and contracts.

The office manager assigns account numbers to each new grant and informs the appropriate staff.

D. Approved Grant Writers

An approved grant writer is:

An employee in good standing

Consultant/contractor

Outside agency personnel

Qualified and approved volunteer

Periods between grant cycles may require non-funded preparation of grant applications and does not affect employment status.

E. For new grants, an administrative fee of no less than 8% of the grant funds will be retained by the RCD as the fiscal agent. The detail breakdown is as follows:

1.	RENT:	15%
2.	UTILITIES/SUPPLIES:	5%
3.	OPERATING EXPENSE:	5%
4.	ADMIN SUPPORT:	60%
5.	AUDIT:	15%

F. In order to facilitate the execution of task orders for the Sierra Nevada Conservancy agreement number A1043041, expiration 6/30/2014, the Board of Directors may:

1. Delegate signing authority to the office manager to enter into contracts and/or agreements up to and including \$10,000.00 in order to fulfill the task orders.
2. In the absence of the office manager, or for amounts exceeding \$10,000.00, one director may sign said agreement(s) without further approval by the Board of Directors.
3. Employment offers will be reviewed and approved by the Board of Directors, as recommended by the Personnel Committee, at regular or special meetings.

4. Staff will prepare extensions and amendments to existing contracts for the Board President to sign without further action by the board of directors.

## **IX. GRANT REPORTS**

A quarterly financial report by cost and income category for each grant is prepared by the grant manager, reviewed by the office manager, and approved by the board of directors.

The manager will review all expenditures and income and will compare actual spending with budgeted amounts and make budget modifications as necessary, reporting all budget modifications to the board.

The manager will determine the accrued income and expenses at the end of the grant period.

The grant manager compiles and submits statistical reports as required for the appropriate grants.

## **X. DISTRICT BUDGETS**

The office manager and board treasurer prepare an annual district budget that is submitted to the board for approval. Subsequent grant amendments and awards automatically become part of the budget based upon board approval. The annual budget is reviewed at least quarterly for changes.

The office manager monitors program expenses for conformity with the grant budget. Budgets may be reviewed and revised on an as-needed basis.

The board of directors receives a financial operations report at each monthly meeting.

## **XI. DISTRICT AUDIT**

The annual audit of the books, accounts, records, papers, and money is made by the county or a contracted CPA. The cost is borne by the district.

## **XII. FUND BALANCE POLICY FOR FINANCIAL STATEMENT REPORTING**

General Fund – Minimum Fund Balance:

To maintain the Mariposa County Resource Conservation District (MCRCD) credit rating and meet seasonal cash flow shortfalls, the MCRCD shall establish and maintain a minimum unrestricted fund balance in the general fund equal to two months of annual revenue within the Discretionary Revenue category as defined in the budget. The minimum unrestricted fund balance may be recognized within the Committed, Assigned, or Unassigned classifications.

Classification of Fund Balance:

The Treasurer is authorized to evaluate existing fund balance classifications and reclassify them in accordance with GASB Statement 54, for implementation effective

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the fiscal year ending June 30, 2012. Going forward, the year-end fund balances are to be determined by the Treasurer in accordance with the Funding Flow Assumption. For funds that are determined to fall within the “Committed Fund Balance” and the “Assigned Fund Balance” classifications, the Board of Directors shall adopt a resolution before the fiscal year-end to establish or re-establish the specified purpose for the funds.

**Funding Flow Assumptions:**

This policy considers restricted amounts to be spent before unrestricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed, assigned and then unassigned amounts, in that order, will be spent when expenditure is incurred for a purpose for which amounts in any of those unrestricted fund balance classifications could be used.